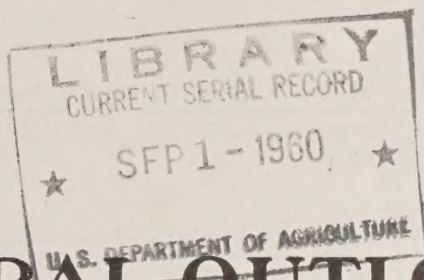


1.941  
58A982  
crp. 2



FOR RELEASE  
JANUARY 25, A.M.

# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



AOD-61 JANUARY 1960

The downturn in hog production planned by farmers is expected to push prices above a year earlier next spring, and they are likely to stay higher the rest of 1960.

Farmers reported to AMS in early December that they intended to have 12% fewer sows farrow spring pigs than last year. Litters of average size--adjusted for trend--would result in a spring crop of 52 million head . . . 11% fewer than last year . . . about same as in 1958.

Intended reduction is much larger than had been expected. Information from producers in 10 Corn Belt States last September pointed to a 4% cut for early spring pigs. Hog-corn ratio last fall was near-average . . . a situation that normally leads to only small changes in hog production.

Producers apparently intend to market less corn through hogs, put more under loan in 1959-60 than last season. Loan rate is at national average of \$1.12 per bu. . . below last year's \$1.36 rate for producers complying with acreage allotments . . . above \$1.06 rate for non-compliers. Only about 12% of 1958 corn crop in commercial area was eligible for \$1.36 rate.

This winter marketings are likely to be larger and prices lower than last winter. This will result from an increase in last fall's pig crop and larger number of sows being sold because of cutback in spring farrowings. Mid-December prices to farmers averaged \$11.20 per cwt., \$6.30 less than year earlier.

**CATTLE.** Record number of cattle were on feed in 26 States at the beginning of this year--9% more than a year earlier. This indicates that prices this winter and spring will continue below last year.

**EGGS.** Low prices over the last year are likely to lead to a reduction in the hatch of flock replacement chicks this spring. Average for 1959 was lowest in a decade and a half. In December, farmers' prices averaged 17% below December 1958 . . . have drifted lower since as production increased seasonally.

Hatchings of replacement chicks in recent months have been well below a year earlier. If reduction continues, egg production next fall is likely to be under a year earlier. Such a prospect would encourage storage operations and strengthen prices this spring. Thus, some recovery in egg prices is likely as 1960 progresses.

**BROILERS.** A sharp increase raised prices to producers in mid-December to highest level in 15 months. Although they have declined some since, they remain higher than in most of 1959.



Marketings through February are likely to be below a year ago, as in the last several months. But in recent weeks settings of eggs for broilers have risen above a year earlier for first time in 8 months.

**TURKEYS.** Prices recently have been at highest levels in 3 years. They are likely to remain relatively high until about mid-year since January 1 storage stocks were down 7% from last year, and slaughter will be seasonally light.

Improvement in turkey prices last year came in the face of a record crop. This is likely to result in increased production this year. Producers report plans to raise 6% more turkeys in 1960 than last year.

**DAIRY.** Supports for the 1960-61 year which begins April 1 will be the same as in the last 2 years.

Milk production in 1959 was in a closer balance with commercial demand at support prices than in any of the 6 previous years. Output declined slightly from 1958 and total demand was steady. Prices were above support by a larger margin and for a longer period than at any time since 1952. Support purchases of milkfat were 2.5% of production, least since 1952. About 6.8% of the solids-not-fat produced were purchased for support, considerably less than in 1958.

**FEEDS.** Feed grain prices in mid-December averaged 4% below a year earlier . . . probably will continue a little lower the first half of this year. Late harvest apparently delayed seasonal rise in corn prices, but recent increases indicate seasonal low has passed. Mid-December average to farmers was 96¢, 6¢ below December 1958.

**FRUIT.** Fewer apples and pears but more grapes remained to be marketed after January 1 than last year. Supplies also are smaller for grapefruit and tangerines, about the same for winter oranges, larger for lemons.

Output of frozen orange concentrate last fall was considerably larger than a year earlier. Carryover stocks also were up.

**FRESH VEGETABLES.** A winter crop 9% above last year, 7% above average, is in prospect. Showing increases over last year are cabbage, carrots, lettuce, cucumbers, snap beans, cauliflower, eggplant, and broccoli. Declining are celery, tomatoes, green peppers and spinach.

**COTTON.** A high rate of exports is likely the rest of this season. About 5 million bales have been registered under the payment-in-kind program for shipment before August 1. August-November 1959 exports amounted to 1.4 million bales, half a million more than a year earlier . . . year's total is likely to reach at least 6 million compared with 2.8 million last season.

**TOBACCO.** Cigarette production hit a new record in the 1958-59 fiscal year, 17% higher than 5 years previously. But amount of domestic leaf used failed to increase. Main reasons: Use of tobacco sheet and additional stems in manufacture of cigarettes have increased . . . average size of tobacco column in cigarettes has shrunk. Also, proportion of imported tobacco going into cigarette blends has increased.